AGN. NO.

MOTION BY SUPERVISOR DON KNABE October 11, 2016

The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act (JPA), to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects. Currently, more than 500 cities, counties and special districts have become Program Participants to CSCDA – which provides access to an efficient mechanism to finance locally-approved projects.

The process of providing tax-exempt financing to private entities is referred to as "conduit" financing. CSCDA, as the issuer, serves as a conduit between the public capital markets (as lender) and the private (usually non-profit) borrower. In this way, CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more.

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MOTION

RIDLEY-THOMAS ______________________________

KUEHL ______________________________

KNABE ______________________________

ANTONOVICH ______________________________

SOLIS ______________________________

Currently, 74 of the 88 cities across the County are members of the CSCDA, as is every county in California, with the exception of Los Angeles County. The County withdrew in 2009, citing concerns about the then-structure of the CSCDA and about conduit financing in general. The Board also approved a revised Conduit Financing Policy intended to protect the County from potential liability, as well as to further the Board's public policy goals. That Policy did not permit the County to join the CSCDA or any such entity that involves conduit financing. Since that time, the CSCDA instituted a number of measures to enhance the transparency of its business and the manner in which the capital markets require credit enhancements in these type of financial transactions may be different from 2009, the height of the most recent economic collapse.

Given these developments, as well as the Board's renewed focus on affordable housing, it may be prudent to review the current policy that prevents the membership of the County in the CSCDA JPA and determine if revising this policy warrants further consideration. While it is true that the County has significant authority and standing in negotiating terms for financing, it may be worth considering whether or not this kind of financing would be an impactful addition to the resources already at our disposal to facilitate the creation of more affordable housing and other worthy endeavors.

I, THEREFORE, MOVE that the Chief Executive Officer and the Treasurer-Tax Collector review the County's policy on conduit financing and report back in 30 days as to any revisions to the policy that may be appropriate for consideration.

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